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The Honorable Robert S. Lasnik

OCT 30 2018

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff
v.
DEVAUGHN WOODS,
Defendant

NO. CR18-254RSL

PLEA AGREEMENT

The United States of America, by and through Annette L. Hayes, United States Attorney for the Western District of Washington, Andrew C. Friedman and Francis Franze-Nakamura, Assistant United States Attorneys for said District, and Anthony Teelucksingh, Trial Attorney with the U.S. Department of Justice Computer Crime & Intellectual Property Section, and DEVAUGHN WOODS, and his attorney, Scott J. Engelhard, enter into the following Agreement, pursuant to Federal Rule of Criminal Procedure 11(c)(1)(A):

1. **Waiver of Indictment.** Defendant, having been advised of the right to be charged by Indictment, agrees to waive that right and enter a plea of guilty to the charge brought by the United States Attorney in an Information.

2. **The Charges.** Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enter pleas of guilty to the following charges contained in the Information.

1 a. Conspiracy, as charged in Count 1, in violation of Title 18, United
2 States Code, Section 371;

3 b. Conspiracy to Commit Money Laundering, as charged in Count 2, in
4 violation of Title 18, United States Code, Section 1956(h).

5 By entering these pleas of guilty, Defendant hereby waives all objections to the form of
6 the charging document. Defendant further understands that, before entering his guilty
7 pleas, he will be placed under oath. Any statement given by Defendant under oath may
8 be used by the United States in a prosecution for perjury or false statement.

9 **3. Element of the Offenses.** The elements of the offenses to which
10 Defendant is pleading guilty are as follows:

11 a. The elements of Conspiracy, as charged in Count 1, in violation of
12 Title 18, United States Code, Section 371, are as follows:

13 First, beginning in or about April 2012 and ending in our about September 2017,
14 there was an agreement between two or more persons to commit a crime;

15 Second, the Defendant became a member of the conspiracy knowing of at least
16 one of its objects and intending to help accomplish it; and

17 Third, one of the members of the conspiracy performed at least one overt act.

18 The conspiracy alleged is a conspiracy to commit Wire Fraud and
19 Computer Fraud and Abuse.

20 The elements of Wire Fraud are as follows:

21 First, the Defendant knowingly devised a scheme or plan to defraud, or to obtain
22 money or property by means of false or fraudulent pretenses, representations, or
23 promises;

24 Second, the statements made or facts omitted as part of the scheme were material;
25 that is, they had a natural tendency to influence or were capable of influencing a person
26 to part with money or property;

27 Third, the Defendant acted with intent to defraud; that is the intent to deceive or
28 cheat; and

1 Fourth, the Defendant transmitted or caused to be transmitted a wire in interstate
2 or foreign commerce to carry out or attempt to carry out an essential part of the scheme.

3 The elements of Computer Fraud and Abuse are as follows:

4 First, the Defendant knowingly caused the transmission of a program, code,
5 command, or information to a computer without authorization;

6 Second, as a result of the transmission, the Defendant intentionally impaired the
7 integrity or availability of data, a program, a system, or information;

8 Third, the computer was used in or affected interstate or foreign commerce or
9 communication; and

10 Fourth, during any one-year period, the loss was at least \$5,000, or 10 or more
11 computers were affected.

12 b. The elements of Conspiracy to Commit Money Laundering, as charged in
13 Count 2, in violation of Title 18, United States Code, Section 1956(h), are as follows:

14 First, beginning in or about October 2013 and ending in our about September
15 2017, there was an agreement between two or more persons to commit the crime of
16 money laundering; and

17 Second, the Defendant became a member of the conspiracy knowing of its object
18 and intending to help accomplish it.

19 The elements of Money Laundering are as follows:

20 First, the Defendant conducted a financial transaction that involved the proceeds
21 of wire fraud or computer fraud and abuse;

22 Second, the Defendant knew that the money represented the proceeds of wire
23 fraud or computer fraud and abuse; and

24 Third, the Defendant knew that the transaction was designed in whole or in part to
25 conceal or disguise the nature or source of the proceeds of the wire fraud or computer
26 fraud and abuse.

27 4. **The Penalties.** Defendant understands that the statutory penalties
28 applicable to the offenses to which he is pleading guilty are as follows:

1 a. For the offense of Conspiracy, as charged in Count 1: a maximum
2 term of imprisonment of up to five years, a fine of up to \$250,000, a period of
3 supervision following release from prison of up to three years, and a mandatory special
4 assessment of \$100 dollars. If a probationary sentence is imposed, the probation period
5 can be for up to five (5) years. Defendant agrees that the special assessment shall be paid
6 at or before the time of sentencing.

7 b. For the offense of Conspiracy to Commit Money Laundering, as
8 charged in Count 2: a maximum term of imprisonment of up to twenty years, a fine of up
9 to \$500,000 or twice the amount of money involved in the conspiracy, whichever is
10 greater, a period of supervision following release from prison of up to three years, and a
11 mandatory special assessment of \$100 dollars. If a probationary sentence is imposed, the
12 probation period can be for up to five (5) years. Defendant agrees that the special
13 assessment shall be paid at or before the time of sentencing.

14 Defendant understands that supervised release is a period of time following
15 imprisonment during which he will be subject to certain restrictive conditions and
16 requirements. Defendant further understands that, if supervised release is imposed and he
17 violates one or more of the conditions or requirements, Defendant could be returned to
18 prison for all or part of the term of supervised release that was originally imposed. This
19 could result in Defendant's serving a total term of imprisonment greater than the statutory
20 maximum stated above.

21 Defendant understands that, as a part of any sentence, in addition to any term of
22 imprisonment and/or fine that is imposed, the Court may order Defendant to pay
23 restitution to any victim of the offenses, as required by law. Defendant further
24 understands that the consequences of pleading guilty may include the forfeiture of certain
25 property, either as a part of the sentence imposed by the Court, or as a result of civil
26 judicial or administrative process.

1 Defendant agrees that any monetary penalty the Court imposes, including the
2 special assessment, fine, costs, or restitution, is due and payable immediately and further
3 agrees to submit a completed Financial Statement of Debtor form as requested by the
4 United States Attorney's Office.

5 **5. Rights Waived by Pleading Guilty.** Defendant understands that by
6 pleading guilty, he knowingly and voluntarily waives the following rights:

- 7 a. The right to plead not guilty and to persist in a plea of not guilty;
- 8 b. The right to a speedy and public trial before a jury of his peers;
- 9 c. The right to the effective assistance of counsel at trial, including, if
10 Defendant could not afford an attorney, the right to have the Court
11 appoint one for him;
- 12 d. The right to be presumed innocent until guilt has been established
13 beyond a reasonable doubt at trial;
- 14 e. The right to confront and cross-examine witnesses against Defendant
15 at trial;
- 16 f. The right to compel or subpoena witnesses to appear on his behalf at
17 trial;
- 18 g. The right to testify or to remain silent at trial, at which trial such
19 silence could not be used against Defendant; and
- 20 h. The right to appeal a finding of guilt or any pretrial rulings.

21 **6. Ultimate Sentence.** Defendant acknowledges that no one has promised or
22 guaranteed what sentence the Court will impose.

23 **7. Restitution.** The parties agree that they will recommend that the Court
24 apportion liability for restitution owed to AT&T Mobility between Defendant and the
25 defendants charged in related cases. Defendant agrees to pay restitution in the
26 apportioned amount of \$155,032.46 (which shall not be joint and several with any other
27 defendant). Said restitution shall be due and payable immediately and shall be paid in
28

1 accordance with a schedule of payments as proposed by the United States Probation
2 Office and ordered by the Court

3 8. **Forfeiture of Assets.** Defendant understands that the forfeiture of property
4 is part of the sentence that must be imposed in this case. Defendant agrees to forfeit to
5 the United States immediately all of her right, title, and interest in any and all property,
6 real or personal, that constitutes or is derived from proceeds traceable to the charge of
7 Conspiracy to which he is pleading guilty. All such property is forfeitable pursuant to
8 Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section
9 2461(c), Title 18, United States Code, Section 982(a)(2)(B), and Title 18, United States
10 Code, Section 1030(i), and includes, but is not limited to:

11 a. a sum of money in the amount of \$155,032.46, representing a
12 portion of the proceeds the Defendant obtained from the offenses. The Defendant
13 understands and acknowledges this forfeited sum of money is separate and distinct from
14 the restitution that is ordered in this case.

15 Defendant agrees to fully assist the United States in the forfeiture of this property
16 and to take whatever steps are necessary to pass clear title to the United States, including
17 but not limited to: surrendering title and executing any documents necessary to effect
18 forfeiture; assisting in bringing any property located outside the United States within the
19 jurisdiction of the United States; and taking whatever steps are necessary to ensure that
20 property subject to forfeiture is not sold, disbursed, wasted, hidden, or otherwise made
21 unavailable for forfeiture. Defendant agrees not to file a claim to any such property in any
22 federal forfeiture proceeding, administrative or judicial, that may be initiated.

23 The United States reserves its right to proceed against any remaining property not
24 identified in this Plea Agreement, including any property in which Defendant has any
25 interest or control, if that property constitutes or is traceable to proceeds of the
26 Conspiracy.

27 9. **Statement of Facts.** The parties agree on the following facts. Defendant
28 admits he is guilty of the charged offenses:

1
2 For approximately 10 years, until September 2017,
3 Defendant was an employee of AT&T. Defendant worked at
4 AT&T's Customer Care telephone call center located in
5 Bothell, Washington as a customer service representative. As
6 a customer service representative, Defendant had credentials
7 to log into both a workstation and a variety of proprietary
8 programs on that workstation that AT&T used to conduct
9 business. Defendant understood that his computer was used
10 in or affected interstate or foreign commerce or
11 communication. Defendant received training at AT&T on
12 network security. As a result, Defendant knew that his login
13 credentials were for his use only, and that AT&T would
14 assume that only Defendant was using his login credentials to
15 access his workstation and the programs on that workstation.
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17

18 One of the programs on Defendant's workstation was a
19 program through which Defendant could "unlock" phones for
20 eligible AT&T customers. Unlocking a phone allows the
21 phone to be used on the cellular networks of other service
22 providers. Defendant's job duties required him to be familiar
23 with the products and services offered by AT&T. As a result,
24 Defendant knew that AT&T offered to sell phones either at a
25 discount or under an installment plan if the customer agreed
26 to enter into a long-term service contract with AT&T.
27
28

19 As part of Defendant's job duties at AT&T, Defendant
20 unlocked phones when customers met certain criteria set by
21 AT&T. Based on the training Defendant received at AT&T,
22 Defendant understood that he was not authorized to unlock
23 phones when those criteria had not been met. Defendant
24 further understood that every time he used Defendant's
25 network credentials to submit an unlocking request, he was
26 representing to AT&T that he had reviewed the eligibility
27 criteria and had determined that the customer in question
28 satisfied that criteria. Defendant also understood that
unlocking a phone when the eligibility criteria were not
satisfied could cause harm to AT&T by depriving it of future
payments from the customer if that customer chose to leave
AT&T's cellular network.

1 Sometime in 2012 or 2013, K.E. and M.S., who also
 2 worked at AT&T's call center in Bothell, recruited Defendant
 3 to help unlock cell phones by downloading a computer
 4 program onto his computer. K.E. and M.S. put Defendant
 into touch with a man named "Frankie."

5 "Frankie" instructed Defendant to set up a dedicated
 6 email account to communicate with him. Defendant used the
 7 accounts dwoodslxxxv@gmail.com and
 thomasdean1991@yahoo.com to communicate with
 8 "Frankie." "Frankie" used multiple email accounts to
 communicate with Defendant, including
 unlockoutlet@ymail.com and jackbower764@gmail.com.
 9 Defendant also communicated with "Frankie" by text
 message and by phone. Defendant understands that
 10 "Frankie" lived outside the United States; as a result, most or
 11 all of "Frankie's" emails and text messages travelled from
 12 outside the United States to the State of Washington.

13
 14 "Frankie" instructed Defendant on how to install
 15 malware on AT&T's protected network. Defendant installed
 16 the malware, used the malware to capture and export
 17 information about AT&T's computer network and the
 18 programs used on the network. Shortly after Defendant
 started working for "Frankie," AT&T discovered that K.E.
 19 and M.S. were conducting illegal unlocks and both
 individuals left the company.

20 Defendant did not work with "Frankie" again until
 21 "Frankie" contacted Defendant sometime in September or
 October of 2014 and directed Defendant to assist with gaining
 22 access to AT&T's protected network. According to
 23 Defendant, "Frankie" threatened Defendant directly, and
 through an intermediary, that there would be consequences if
 24 Defendant did not assist "Frankie." After Defendant agreed
 to assist "Frankie," "Frankie" explained that he would send
 25 Defendant hardware devices to install on AT&T's computer
 26 network. Defendant understood that these devices would
 allow "Frankie" to obtain access to AT&T's computer
 27 network, steal information from AT&T, and unlock cell
 28 phones.

1 From late 2014 to the end of the scheme in 2017,
2 “Frankie” sent Defendant a variety of hardware devices
3 including wireless hotspots, routers, routers with built-in
4 hotspots, and USB “keys.” Defendant knew that he was not
5 authorized to plug these devices into AT&T’s protected
6 computer system. However, at “Frankie’s” direction,
7 Defendant attached some of these devices to AT&T’s
8 computer network to give “Frankie” access. “Frankie” would
9 send Defendant text messages telling Defendant when to plug
10 the router into the network and when to unplug it. Defendant
11 understood that these hardware devices were designed to use
12 his credentials and the credentials of other AT&T customer
13 service representatives to fraudulently submit unlocking
14 requests for ineligible customers.

15 The USB devices served a different function than the
16 routers and hotspots. Namely, these devices were designed to
17 steal the network credentials of other customer service
18 representatives at the call center. At “Frankie’s” instruction,
19 Defendant would plug the USB devices into the back of the
20 workstations of customer service representatives when they
21 were not at work. “Frankie” told Defendant by phone that the
22 USB devices were “key-grabbers” that would capture login
23 credentials typed into the customer service representatives’
24 keyboards. Defendant plugged the key-grabbers into the
25 computers of over twenty customer service representatives.

26 Defendant continued to assist “Frankie” until August
27 31, 2017 when he was approached by AT&T investigators
28 who had discovered his involvement in the fraudulent
 unlocking scheme.

29 “Frankie,” paid Defendant for his assistance with
30 illegally unlocking cell phones at AT&T. For example, in
31 November 13, 2014, “Frankie” wired Defendant \$948 by
32 Western Union. Subsequently, cash payments were received
33 by Defendant. On at least twelve occasions, Defendant
34 directed a family member to fly to Houston, Texas, in order to
35 receive the payments due from “Frankie” from a man whose
36 name Defendant claims he never knew. The amounts of the

1 payments varied. Defendant understood that the payments
 2 were received in cash due to the need to conceal the
 3 illegitimate nature of the scheme. Defendant concealed the
 4 cash proceeds in various locations including a sock in his
 5 residence and a safe deposit box. In total, Defendant received
 6 at least \$200,000 for his participation in the scheme. Law
 7 enforcement seized \$45,000.00 of proceeds from Defendant's
 8 residence and safe deposit box. Subsequently, the
 9 government forfeited the funds and remitted \$44,967.54
 10 (\$45,000.00 less administrative costs) to AT&T.

11 Defendant understands that more than 10 AT&T
 12 computers were affected, and that, although AT&T estimates
 13 that its losses are in the tens of millions of dollars (but still is
 14 working to calculate its losses), AT&T unquestionably
 15 suffered more than \$5,000 in losses.

16 The parties agree that the Court may consider for the purpose of sentencing
 17 additional facts contained in the Presentence Report, subject to objections by the parties,
 18 as well as any facts presented by either party at sentencing.

19 **10. United States Sentencing Guidelines.** Defendant understands and
 20 acknowledges that the Court must consider the sentencing range calculated under the
 21 United States Sentencing Guidelines and possible departures under the Sentencing
 22 Guidelines together with the other factors set forth in Title 18, United States Code,
 23 Section 3553(a), including: (1) the nature and circumstances of the offenses; (2) the
 24 history and characteristics of the defendant; (3) the need for the sentence to reflect the
 25 seriousness of the offenses, to promote respect for the law, and to provide just
 26 punishment for the offenses; (4) the need for the sentence to afford adequate deterrence to
 27 criminal conduct; (5) the need for the sentence to protect the public from further crimes
 28 of the defendant; (6) the need to provide the defendant with educational and vocational
 training, medical care, or other correctional treatment in the most effective manner;
 (7) the kinds of sentences available; (8) the need to provide restitution to victims; and
 (9) the need to avoid unwarranted sentence disparity among defendants involved in

1 similar conduct who have similar records. Accordingly, Defendant understands and
2 acknowledges that:

3 a. The Court will determine applicable Defendant's Sentencing
4 Guidelines range at the time of sentencing;
5 b. After consideration of the Sentencing Guidelines and the factors in
6 18 U.S.C. 3553(a), the Court may impose any sentence authorized by law, up to the
7 maximum term authorized by law;

8 c. The Court is not bound by any recommendation regarding the
9 sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines
10 range offered by the parties or the United States Probation Department, or by any
11 stipulations or agreements between the parties in this Plea Agreement; and

12 d. Defendant may not withdraw his guilty pleas solely because of the
13 sentence imposed by the Court.

14 **11. Acceptance of Responsibility.** At sentencing, if the district court
15 concludes Defendant qualifies for a downward adjustment acceptance of responsibility pursuant to USSG § 3E1.1(a) and Defendant's offense level is 16 or greater, the United States will make the motion necessary to permit the district court to decrease the total offense level by three (3) levels pursuant to USSG §§ 3E1.1(a) and (b), because Defendant has assisted the United States by timely notifying the United States of his intention to plead guilty, thereby permitting the United States to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

22 **12. Non-Prosecution of Additional Offenses.** As part of this Plea Agreement, the United States Attorney's Office for the Western District of Washington and the Computer Crime & Intellectual Property Section of the United States Department of Justice agree not to prosecute Defendant for any additional offenses known to the government as of the time of this Agreement that are based upon evidence in its possession at this time, and that arise out of the conduct giving rise to this investigation. In this regard, Defendant recognizes the United States has agreed not to prosecute all of

1 the criminal charges the evidence establishes were committed by Defendant solely
 2 because of the promises made by Defendant in this Agreement. Defendant agrees,
 3 however, that for purposes of preparing the Presentence Report, the United States
 4 Attorney's Office will provide the United States Probation Office with evidence of all
 5 conduct committed by Defendant.

6 Defendant agrees that any charges to be dismissed before or at the time of
 7 sentencing, and any other potential charges that were discussed but were not filed, were
 8 substantially justified in light of the evidence available to the United States, were not
 9 vexatious, frivolous or taken in bad faith, and do not provide Defendant with a basis for
 10 any future claims under the "Hyde Amendment," Pub. L. No. 105-119 (1997).

11 **13. Breach, Waiver, and Post-Plea Conduct.** Defendant agrees that, if
 12 Defendant breaches this Plea Agreement, the United States may withdraw from this Plea
 13 Agreement and Defendant may be prosecuted for all offenses for which the United States
 14 has evidence. Defendant agrees not to oppose any steps taken by the United States to
 15 nullify this Plea Agreement, including the filing of a motion to withdraw from the Plea
 16 Agreement. Defendant also agrees that if Defendant is in breach of this Plea Agreement,
 17 Defendant has waived any objection to the re-institution of any charges in the Indictment
 18 that were previously dismissed or any additional charges that had not been prosecuted.

19 Defendant further understands that if, after the date of this Plea Agreement,
 20 Defendant should engage in illegal conduct, or conduct that violates any conditions of
 21 release or the conditions of his confinement, (examples of which include, but are not
 22 limited to, obstruction of justice, failure to appear for a court proceeding, criminal
 23 conduct while pending sentencing, and false statements to law enforcement agents, the
 24 Pretrial Services Officer, Probation Officer, or Court), the United States is free under this
 25 Plea Agreement to file additional charges against Defendant or to seek a sentence that
 26 takes such conduct into consideration by requesting the Court to apply additional
 27 adjustments or enhancements in its Sentencing Guidelines calculations in order to
 28 increase the applicable advisory Guidelines range, and/or by seeking an upward departure

1 or variance from the calculated advisory Guidelines range. Under these circumstances,
2 the United States is free to seek such adjustments, enhancements, departures, and/or
3 variances even if otherwise precluded by the terms of the plea agreement.

4 **14. Waiver of Appellate Rights and Rights to Collateral Attacks.**

5 Defendant acknowledges that by entering the guilty pleas required by this Plea
6 Agreement, Defendant waives all rights to appeal from his conviction and any pretrial
7 rulings of the court. Defendant further agrees that, provided the court imposes a custodial
8 sentence that is within or below the Sentencing Guidelines range (or the statutory
9 mandatory minimum, if greater than the Guidelines range) as determined by the court at
10 the time of sentencing, Defendant waives to the full extent of the law:

11 a. Any right conferred by Title 18, United States Code, Section 3742,
12 to challenge, on direct appeal, the sentence imposed by the court, including any fine,
13 restitution order, probation or supervised release conditions, or forfeiture order (if
14 applicable); and

15 b. Any right to bring a collateral attack against the conviction and
16 sentence, including any restitution order imposed, except as it may relate to the
17 effectiveness of legal representation; and

18 This waiver does not preclude Defendant from bringing an appropriate motion
19 pursuant to 28 U.S.C. § 2241, to address the conditions of his confinement or the
20 decisions of the Bureau of Prisons regarding the execution of his sentence.

21 If Defendant breaches this Plea Agreement at any time by appealing or collaterally
22 attacking (except as to effectiveness of legal representation) the conviction or sentence in
23 any way, the United States may prosecute Defendant for any counts, including those with
24 mandatory minimum sentences, that were dismissed or not charged pursuant to this Plea
25 Agreement.

26 **15. Voluntariness of Plea.** Defendant agrees that he has entered into this Plea
27 Agreement freely and voluntarily and that no threats or promises, other than the promises
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1 contained in this Plea Agreement, were made to induce Defendant to enter his pleas of
2 guilty.

3 **16. Statute of Limitations.** In the event this Agreement is not accepted by the
4 Court for any reason, or Defendant has breached any of the terms of this Plea Agreement,
5 the statute of limitations shall be deemed to have been tolled from the date of the Plea
6 Agreement to: (1) thirty (30) days following the date of non-acceptance of the Plea
7 Agreement by the Court; or (2) thirty (30) days following the date on which a breach of
8 the Plea Agreement by Defendant is discovered by the United States Attorney's Office.
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1 **17. Completeness of Agreement.** The United States and Defendant agree that,
2 except as to certain matters set forth during the plea colloquy in open Court, these terms
3 constitute the entire Plea Agreement between the parties. This Plea Agreement binds
4 only the United States Attorney's Office for the Western District of Washington and the
5 Computer Crime & Intellectual Property Section of the United States Department of
6 Justice. It does not bind any other United States Attorney's Office or any other office or
7 agency of the United States, or any state or local prosecutor.

DATED: this 30th day of October, 2018.

~~DEVAUGHN WOODS~~
Defendant

~~SCOTT J. ENGELHARD~~
Attorney for Defendant

ANDREW C. FRIEDMAN
Assistant United States Attorney

~~FRANCIS FRANZE-NAKAMURA~~
~~Assistant United States Attorney~~

ANTHONY TEELUCKSINGH
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